

Investor Relations Presentation

Q3 2017 Results

Updated: December 2017

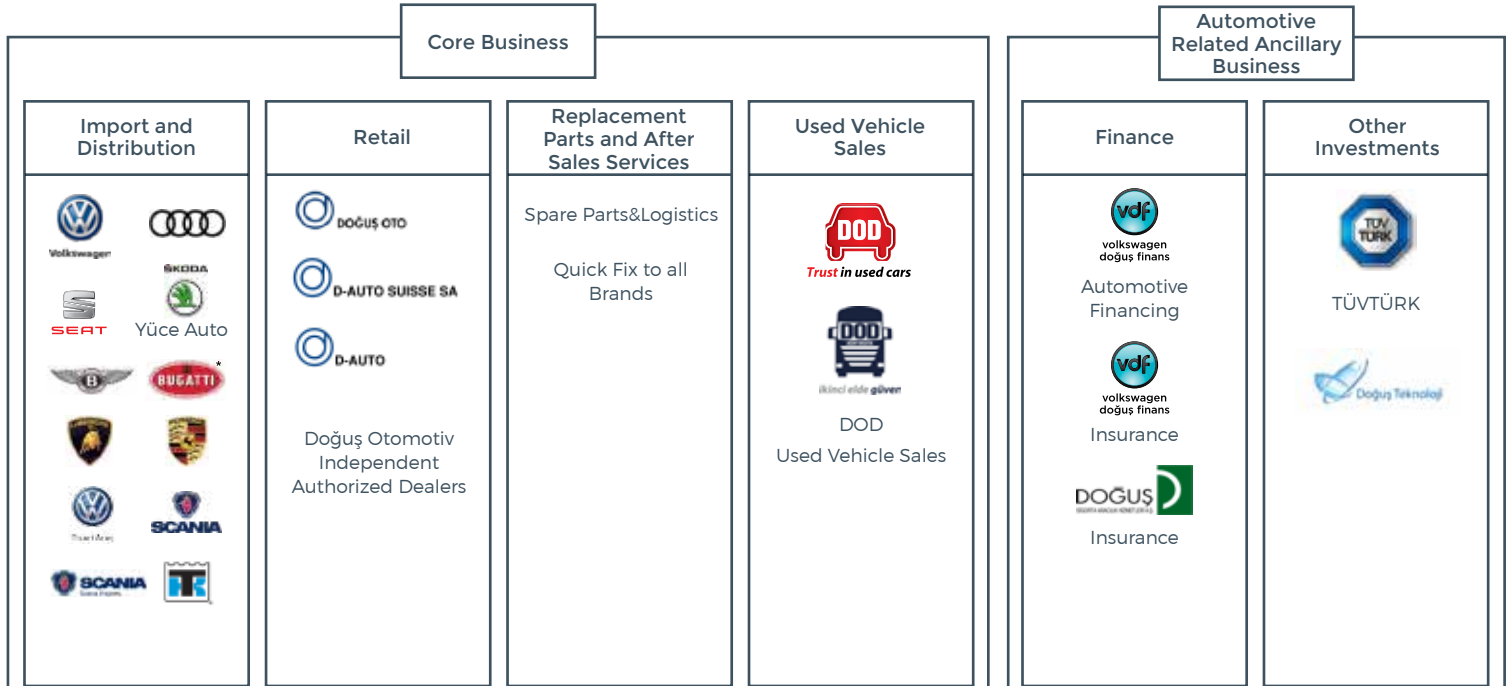


Agenda

- Doğu Otomotiv / Value Chain 2017
- Macroeconomic Outlook
- Automotive Market
- Financial Performance

Doğuş Otomotiv / Value Chain 2017

Presence in Every Link of The Automotive Value Chain



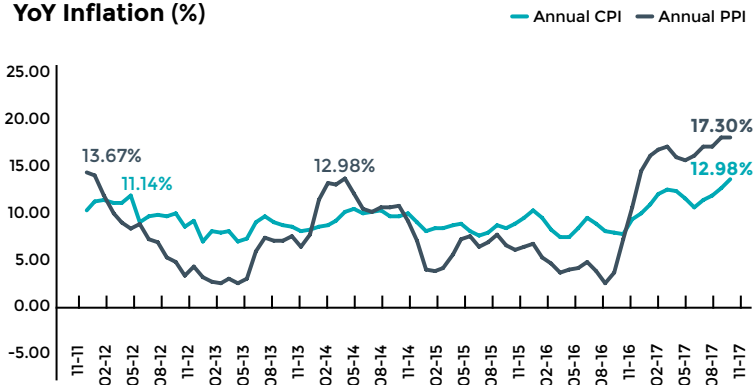
*Representative Offices

Macroeconomic Outlook

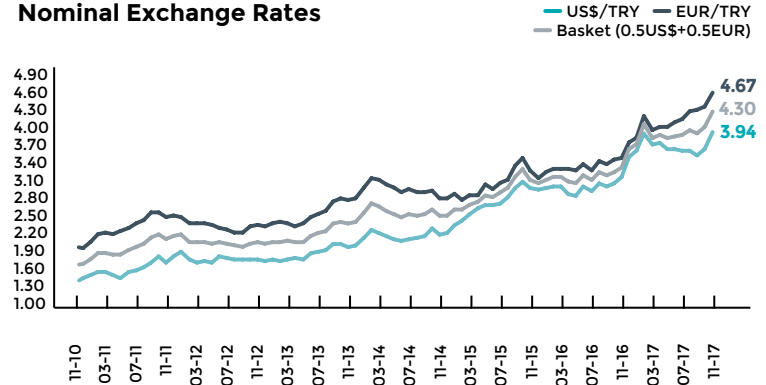


Macroeconomic Indicators

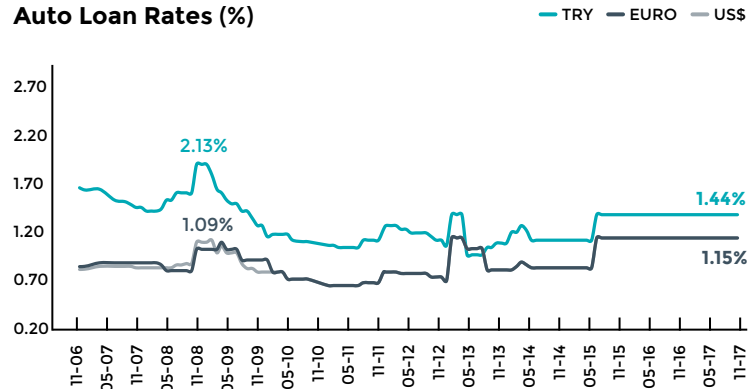
YoY Inflation (%)



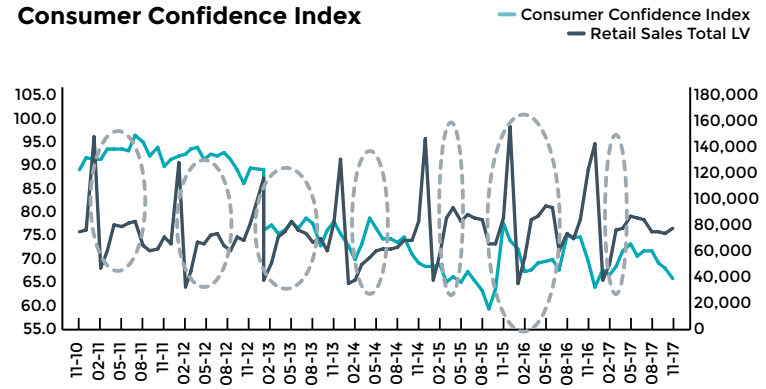
Nominal Exchange Rates



Auto Loan Rates (%)

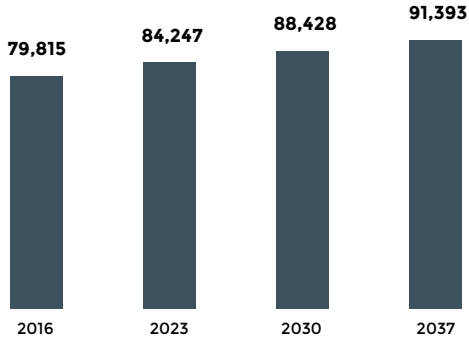


Consumer Confidence Index

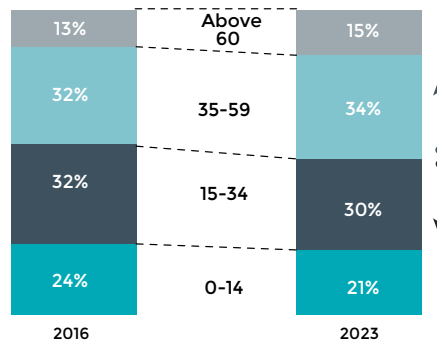


Population & Demography

Population Statistics ('000)



Age Demography

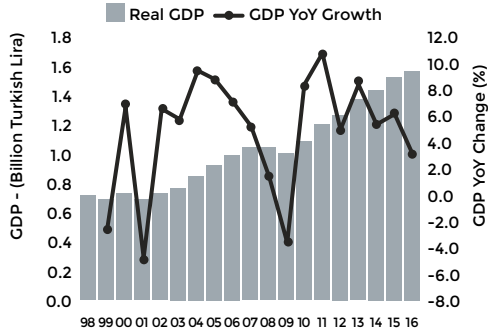


→ Young population and fiscal reforms push the country towards stable and sustainable growth.

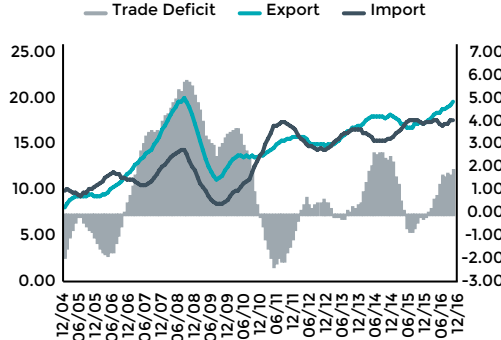
→ Population is increasing on an average 1.4% each year since 2007.

→ 64% of population will be between the age group of 15 to 59 years by 2023.

Economy



Auto Industry Trade Balance (US\$ bn)



→ Share of people in the age group between 35 to 59 will increase by 2% from 2016 to 2023.

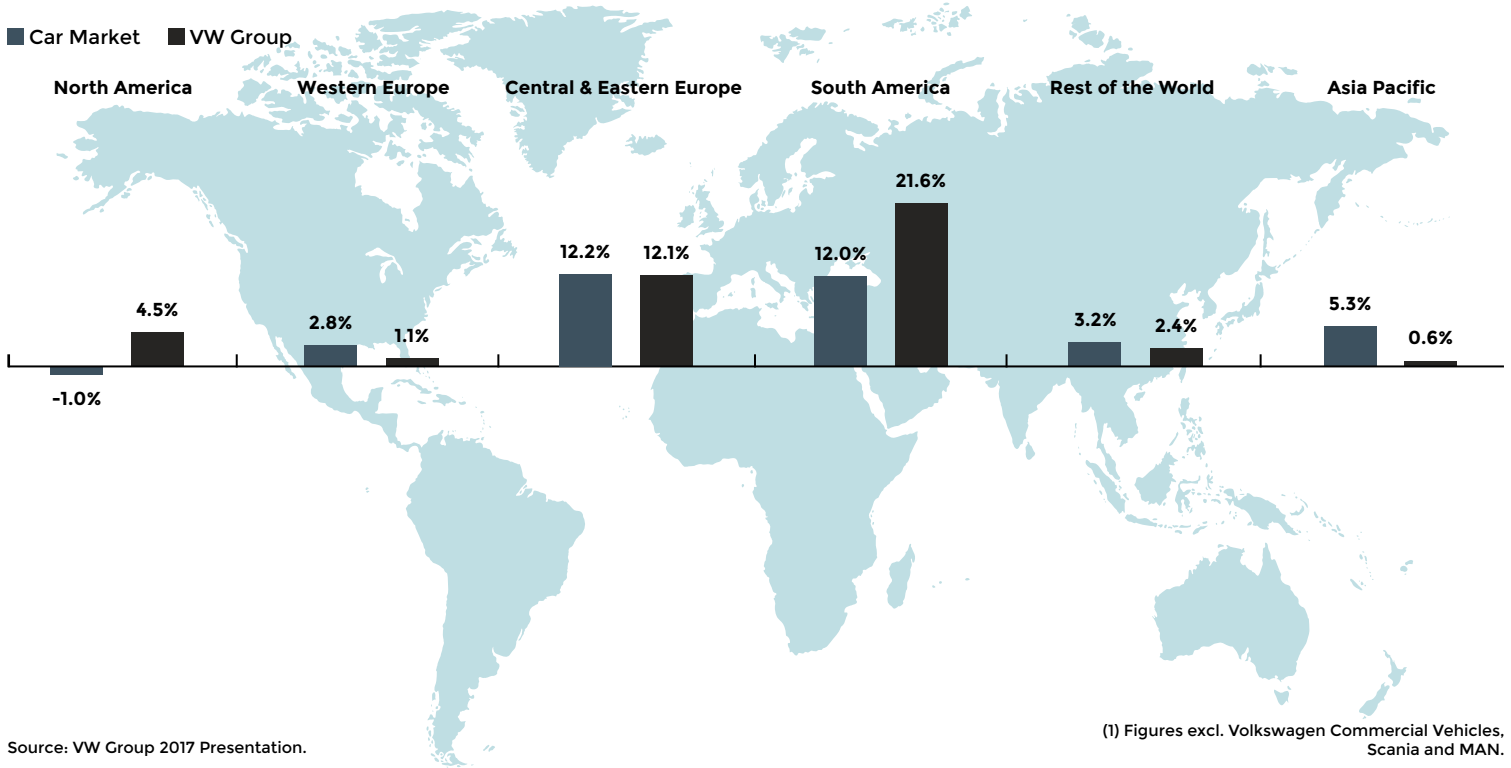
Note: All figures are rounded.
Source: TurkStat

Automotive Market



Development world car market vs. Volkswagen Group Car Deliveries to Customers ⁽¹⁾

(Growth y-o-y in deliveries to customers, January to September 2017 vs. 2016)



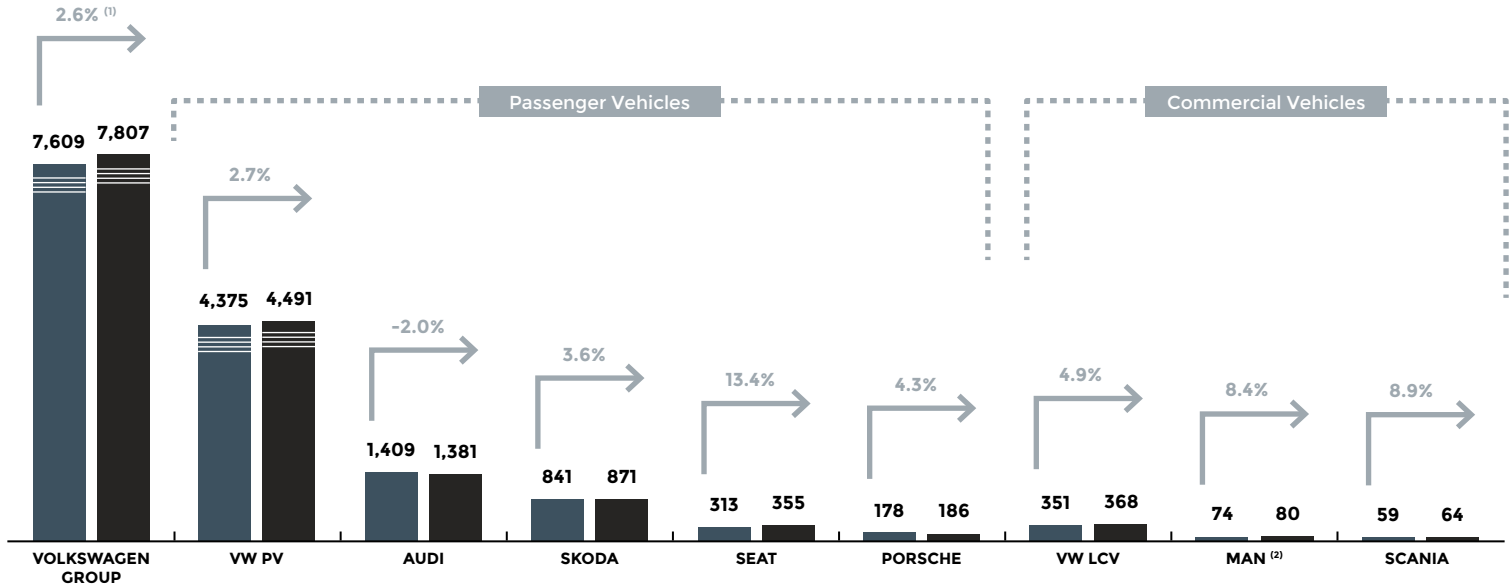
Source: VW Group 2017 Presentation.

(1) Figures excl. Volkswagen Commercial Vehicles, Scania and MAN.

Volkswagen Group

DELIVERIES TO CUSTOMERS BY BRANDS (‘000 units)

■ Jan-Sep 2016 ■ Jan-Sep 2017 → Change

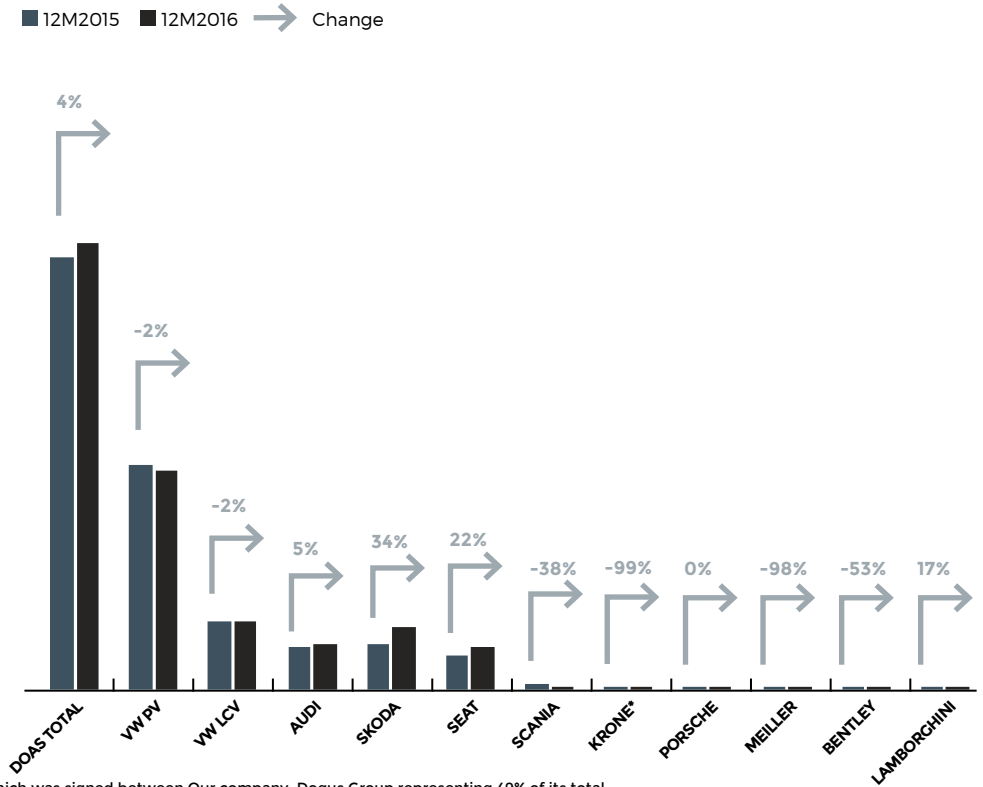


(1) Incl. all brands of Volkswagen Group (Passenger Cars and Commercial Vehicles); 2.4% excl. Volkswagen Commercial Vehicles, Scania and MAN.
 (2) MAN incl. MAN Latin America Trucks and Buses GVW>5t.

Source: VW Group 2017 Presentation.

DOAS Wholesales Performance - 2016

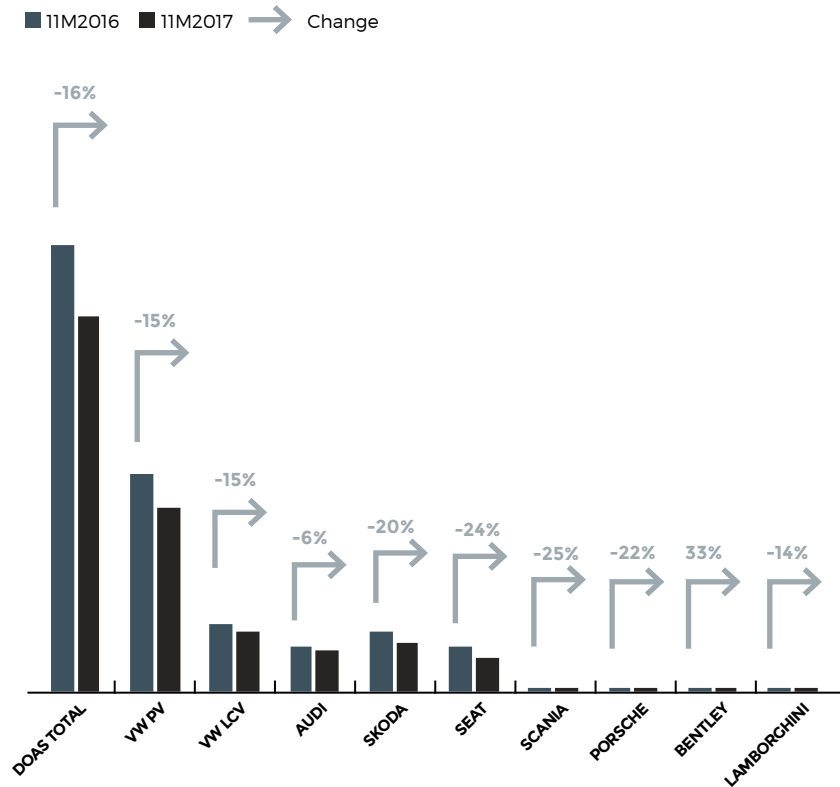
	12M2015	12M2016	Change
DOAS TOTAL	205,593	213,185	4%
VW PV	106,677	104,410	-2%
VW LCV	33,411	32,733	-2%
AUDI	21,100	22,105	5%
SKODA	22,435	30,004	34%
SEAT	17,212	20,976	22%
SCANIA	3,291	2,050	-38%
KRONE	158	2	-99%
PORSCHE	877	881	0%
MEILLER	407	8	-98%
BENTLEY	19	9	-53%
LAMBORGHINI	6	7	17%



*The sales agreement of Krone Doğuş Treyler Sanayi ve Ticaret A.Ş., which was signed between Our company, Dogus Group representing 49% of its total capital, and Fahrzeugwerk Bernard Krone GmbH on 29.01.2015, was finalized after all permissions were received.

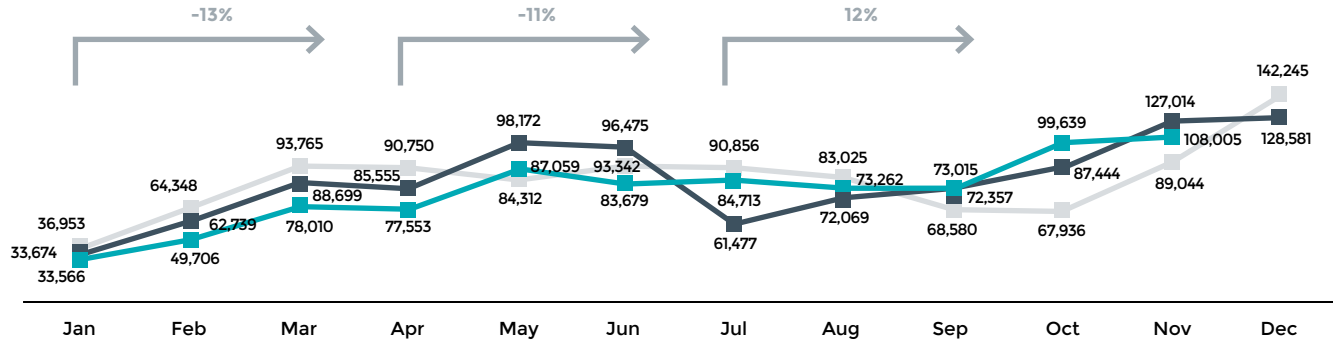
DOAS Wholesales Performance - November 2017

	11M2016	11M2017	Change
DOAS TOTAL	192,150	161,968	-16%
VW PV	93,672	79,876	-15%
VW LCV	30,140	25,515	-15%
AUDI	19,698	18,478	-6%
SKODA	26,164	21,002	-20%
SEAT	19,811	15,068	-24%
SCANIA	1,869	1,403	-25%
PORSCHE	780	608	-22%
BENTLEY	9	12	33%
LAMBORGHINI	7	6	-14%



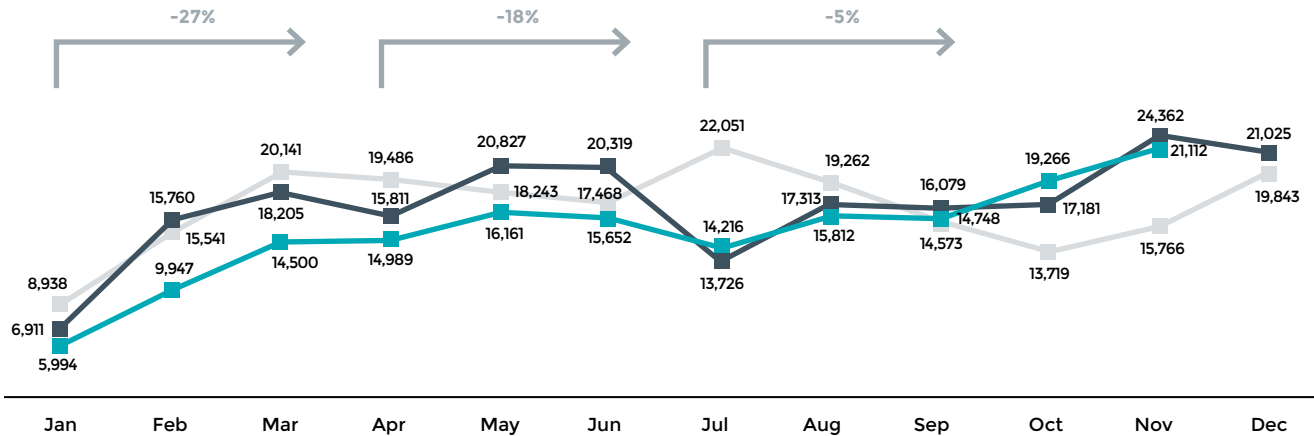
Wholesale Market Monthly Sales

2015 2016 2017



DOAS Monthly Sales

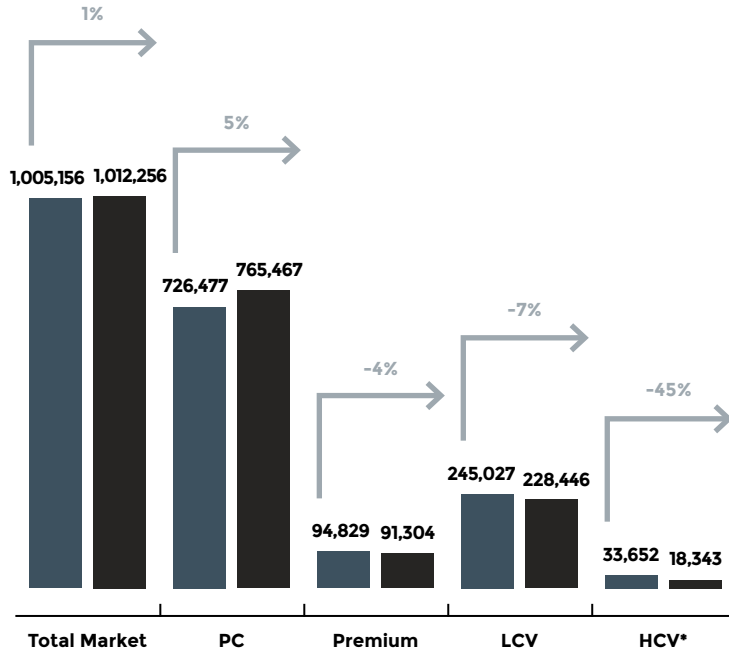
2015 2016 2017



Market Review - Wholesale - 2016

MARKET

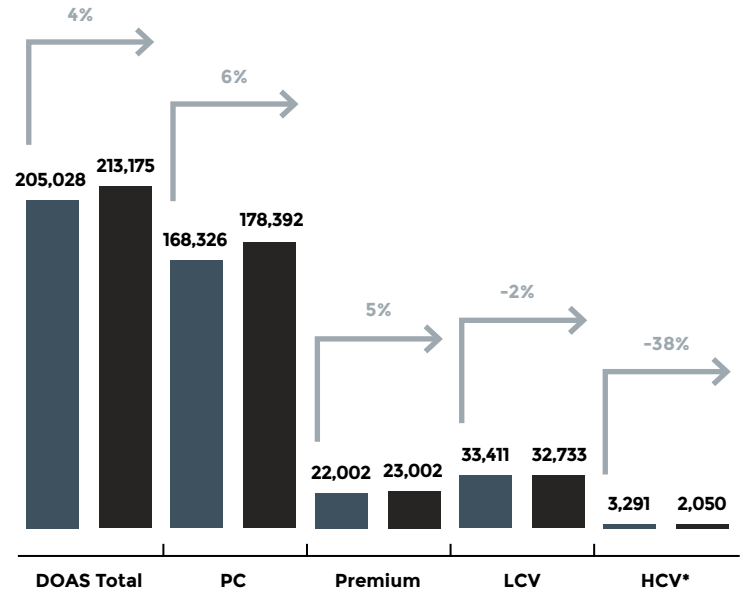
■ December 2015 ■ December 2016 → Change



*Excluding Krone and Meiller

DOAS

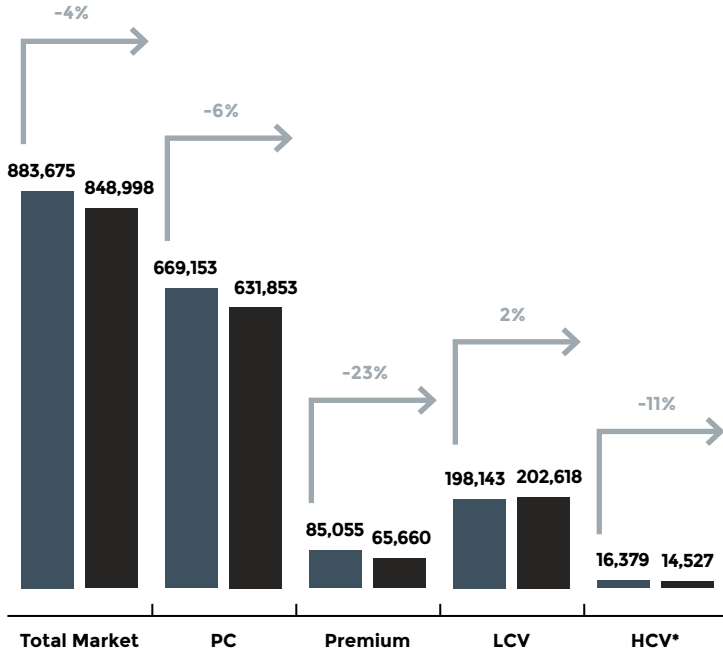
■ December 2015 ■ December 2016 → Change



Market Review - Wholesale - November 2017

MARKET

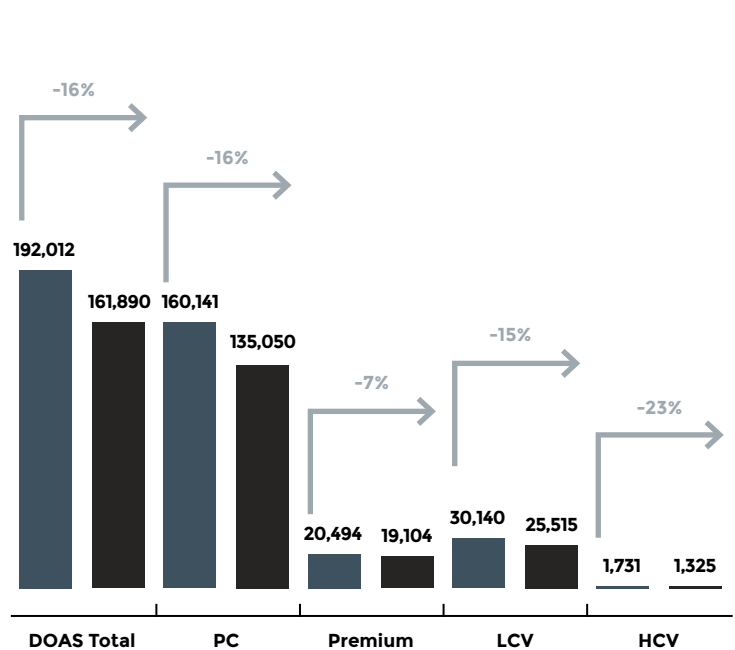
■ Nov 2016 ■ Nov 2017 → Change



*November 2017 HCV market is an expected sales number.

DOAS

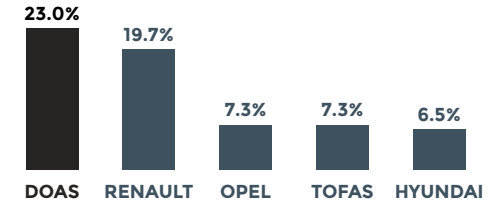
■ Nov 2016 ■ Nov 2017 → Change



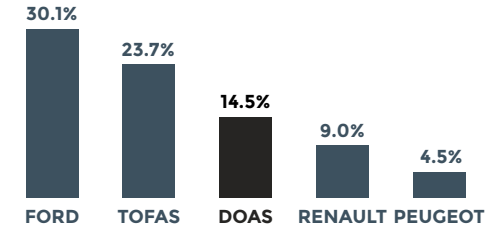
Market Share - Retail - 2016

RETAIL MARKET	2014 YEAR END	2015 YEAR END	2016 YEAR END	2014 YEAR END/ 2015 YEAR END CHANGE	2015 YEAR END/ 2016 YEAR END CHANGE
PASSENGER VEHICLE %					
DOAS	22.2	23.1	23.0	0.9	-0.1
RENAULT	20.1	19.2	19.7	-0.9	0.5
OPEL	6.7	6.5	7.3	-0.2	0.9
TOFAS	7.2	7.1	7.3	-0.1	0.2
HYUNDAI	7.7	6.9	6.5	-0.7	-0.4
TOYOTA	5.8	6.6	6.2	0.8	-0.4
FORD	6.4	6.5	5.5	0.2	-1.0
MERCEDES-BENZ	3.9	4.2	4.3	0.3	0.1
OTHER	20.1	19.9	20.2	-0.2	0.3
LIGHT COMMERCIAL VEHICLE %					
FORD	27.5	29.5	30.1	2.0	0.6
TOFAŞ	27.5	25.6	23.7	-1.9	-1.9
DOAS	13.3	13.1	14.5	-0.3	1.4
RENAULT	8.5	9.6	9.0	1.1	-0.5
PEUGEOT	3.9	4.8	4.5	0.9	-0.3
CITROEN	4.5	4.9	3.7	0.4	-1.2
MERCEDES-BENZ	4.5	3.5	3.6	-1.0	0.1
TOYOTA	0.9	1.2	2.5	0.3	1.3
OTHER	9.5	7.9	8.5	-1.6	0.6
LIGHT VEHICLE %					
DOAS	20.1	20.6	21.0	0.5	0.5
RENAULT	17.4	16.8	17.2	-0.6	0.4
FORD	11.3	12.3	11.1	0.9	-1.1
TOFAŞ	12.0	11.8	11.1	-0.2	-0.7
OPEL	5.1	4.9	5.6	-0.3	0.8
TOYOTA	4.7	5.3	5.4	0.6	0.1
HYUNDAI	6.1	5.4	5.3	-0.7	-0.1
MERCEDES-BENZ	4.1	4.0	4.1	0.0	0.1
OTHER	19.3	19.2	19.1	-0.1	0.0

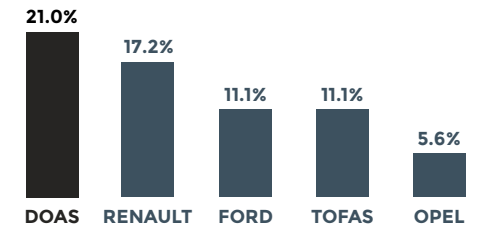
PV TOP 5 DECEMBER 16



LCV TOP 5 DECEMBER 16



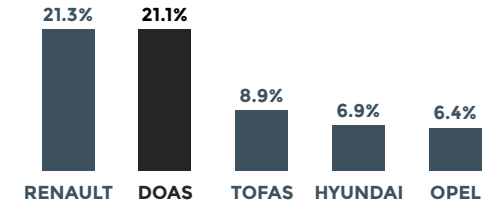
LV TOP 5 DECEMBER 16



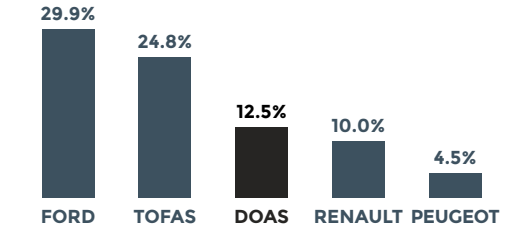
Market Share - Retail - November 2017

RETAIL MARKET	2015 YEAR END	2016 YEAR END	NOV 2016	NOV 2017	NOV 2017/ 2016 YEAR END CHANGE	NOV 2017/ NOV 2016 CHANGE
PASSENGER VEHICLE %						
RENAULT	19.2	19.7	19.1	21.3	1.6	2.2
DOGUS OTOMOTİV	23.1	23.0	23.3	21.1	-1.9	-2.2
TOFAS	7.1	7.3	7.3	8.9	1.6	1.7
HYUNDAI	6.9	6.5	6.6	6.9	0.3	0.3
OPEL	6.5	7.3	7.2	6.4	-0.9	-0.8
FORD	6.5	5.5	5.6	5.7	0.2	0.1
TOYOTA	6.6	6.2	6.2	5.4	-0.8	-0.8
NISSAN	3.6	4.0	3.9	4.3	0.3	0.4
OTHER	20.5	20.4	20.9	20.0	-0.4	-0.8
LIGHT COMMERCIAL VEHICLE %						
FORD	29.5	30.1	29.9	29.9	-0.2	0.0
TOFAS	25.6	23.7	23.3	24.8	1.1	1.5
DOGUS OTOMOTİV	13.1	14.5	15.2	12.5	-2.0	-2.7
RENAULT	9.6	9.0	8.8	10.0	1.0	1.2
PEUGEOT	4.8	4.5	4.6	4.5	0.0	-0.1
CITROEN	4.9	3.7	3.6	3.9	0.3	0.3
MERCEDES-BENZ	3.5	3.6	3.7	3.7	0.1	0.1
TOYOTA	1.2	2.5	2.4	2.0	-0.5	-0.4
OTHER	7.9	8.5	8.5	8.7	0.2	0.2
LIGHT VEHICLE %						
DOGUS OTOMOTİV	20.6	21.0	21.5	19.0	-2.0	-2.4
RENAULT	16.8	17.2	16.7	18.6	1.4	1.8
TOFAS	11.8	11.1	10.9	12.7	1.6	1.8
FORD	12.3	11.1	11.2	11.5	0.4	0.3
HYUNDAI	5.4	5.3	5.3	5.6	0.3	0.3
OPEL	4.9	5.6	5.6	4.9	-0.8	-0.7
TOYOTA	5.3	5.4	5.4	4.6	-0.8	-0.8
PEUGEOT	3.6	3.6	3.6	4.2	0.6	0.6
OTHER	19.6	19.6	19.9	19.0	-0.7	-0.9

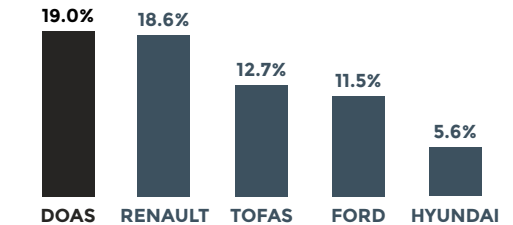
PV TOP 5 NOVEMBER 17



LCV TOP 5 NOVEMBER 17



LV TOP 5 NOVEMBER 17



Financial Performance



Consolidated Income Statement

(TL mn, CMB)	30-Sep-17	30-Sep-16	Change (%)
Revenue	8,503	7,961	7%
Gross Profit	887	810	10%
Operational Expenses	-564	-547	3%
Selling and Marketing Expenses	-231	-223	3%
General Administrative Expenses	-298	-288	3%
Warranty Expenses, net	-60	-61	-1%
Other Operating Expenses, net	25	25	0%
EBITDA	385	310	24%
EBIT	323	263	23%

Margins	30-Sep-17	30-Sep-16	Change (%)
Gross Margin	10.4%	10.2%	3%
Opex/Sales	6.6%	6.9%	-4%
EBITDA Margin	4.5%	3.9%	16%
EBIT Margin	3.8%	3.3%	15%
Net Profit Margin	1.7%	1.8%	-6%

Consolidated Income Statement

(TL '000)	30 Sep 17	Vertical Analysis	30 Sep 16	Vertical Analysis	Change (%)
Revenue	8,502,717		7,961,137		7%
Direct cost of revenue	-7,615,702	-90%	-7,151,472	-90%	6%
Gross profit	887,015	10%	809,665	10%	10%
Selling, marketing and distribution expenses	-230,709	-3%	-223,323	-3%	3%
SG&A Expenses	-297,620	-4%	-287,715	-4%	3%
Warranty expenses	-60,192	-1%	-60,875	-1%	-1%
Other operating incomes/losses, net	24,981	0%	25,009	0%	0%
Results from operating activities	323,475	4%	262,761	3%	23%
Income from Investing Activities	22,232		20,004		
Income Loss from Associates	65,874		74,549		-12%
Financial incomes/costs, net	-249,747		-196,018		27%
Profit before income tax	161,834	2%	161,296	2%	0%
Tax expense	-19,530		-18,737		4%
Profit for the year	142,304	2%	142,559	2%	0%

→ Impacts on revenue and direct cost of revenue:

- Increase in EUR/TL rate.
- Decrease in yoy sales volume.

→ Selling, marketing and distribution expenses

- Decrease of 4% in Advertising and 16% in Rental expenses offset by slight increase of 18% in Personnel expenses.

→ General Administration Expenses

- Increase in personnel expenses by 5%

→ Financial incomes/costs, net

- 27% increase in Financial Costs due to the increase in interest expense on borrowings.

Income/Loss from Associates	30 Sep 17 Cumulative	30 Sep 16 Cumulative
VDF	28,042	34,615
Doğuş Sigorta	956	911
SKODA (Yüce Oto)	7,874	7,901
VDF Servis Holding	10,046	9,393
TÜVTURK Group	23,829	22,332
Meiller-Doğuş	-1,791	-767
Doğuş Technology	-3,082	164
Grand Total	65,874	74,549

Financing Costs

(TL mn, CMB)	30 Sep 2017	30 Sep 2016	Change (%)
Financing Costs	-249.75	-196.01	27%
Finance expenses, net	-249.66	-195.67	28%
Interest expense on borrowings	-240.62	-191.30	26%
Commission expenses on letters of guarantee	-6.14	-2.55	141%
Other financial expenses	-2.89	-1.82	59%
Foreign Exchange gain/loss, net*	-0.09	-0.34	-75%

*arising from credit loans

CMB: Capital Market Boards of Turkey

Consolidated Balance Sheet

(TL '000)	30 Sep 17	31 Dec 16
ASSETS	5,040,042	4,851,854
Cash and cash equivalents	74,872	89,098
Trade receivables	1,045,234	1,128,610
Inventories	1,827,825	1,650,960
Tangible and intangible non-current assets	993,390	807,191
Financial Investments	548,502	550,350
Investments in equity accounted investees	335,503	305,986
Other	214,716	319,659
LIABILITIES	3,786,812	3,733,141
Financial liabilities	2,565,226	2,758,435
Trade payables	1,034,420	770,675
Provisions	88,974	82,832
Other	98,192	121,199
EQUITY	1,253,230	1,118,713

Investments in Equity Accounted Investees	30 Sep 17	31 Dec 16
Associates		
VDF	153,992	125,950
Doğuş Sigorta	33,993	35,273
Yüce Auto (SKODA)	20,153	21,919
VDF Servis	57,592	47,546
Doğuş Teknoloji	7,352	6,179
Joint Ventures		
TÜVTURK North - South (Consolidated)	61,238	60,265
Meiller-Doğuş	1,183	8,854
Total	335,503	305,986

Other	30 Sep 17	31 Dec 16
VAT payable	26,375	65,184
Income tax payable	22,902	3,033
Deferred income	30,392	29,239
Payables related to employee benefits	14,112	16,458
Deferred tax liabilities	840	2,872
Other	3,571	4,413

Provisions	30 Sep 17	31 Dec 16
Warranty Provisions	37,914	43,843
Legal Provisions	19,737	17,967
Long-term provisions related to employee benefits	31,323	21,022

Inventories:

- Number of vehicles increased from 20,217 units to 20,947 units as of 30.09.2017.

Tangible and intangible non-current assets:

increased by 22% due to the purchase of Doğuş Oto Esenyurt.

Financial liabilities:

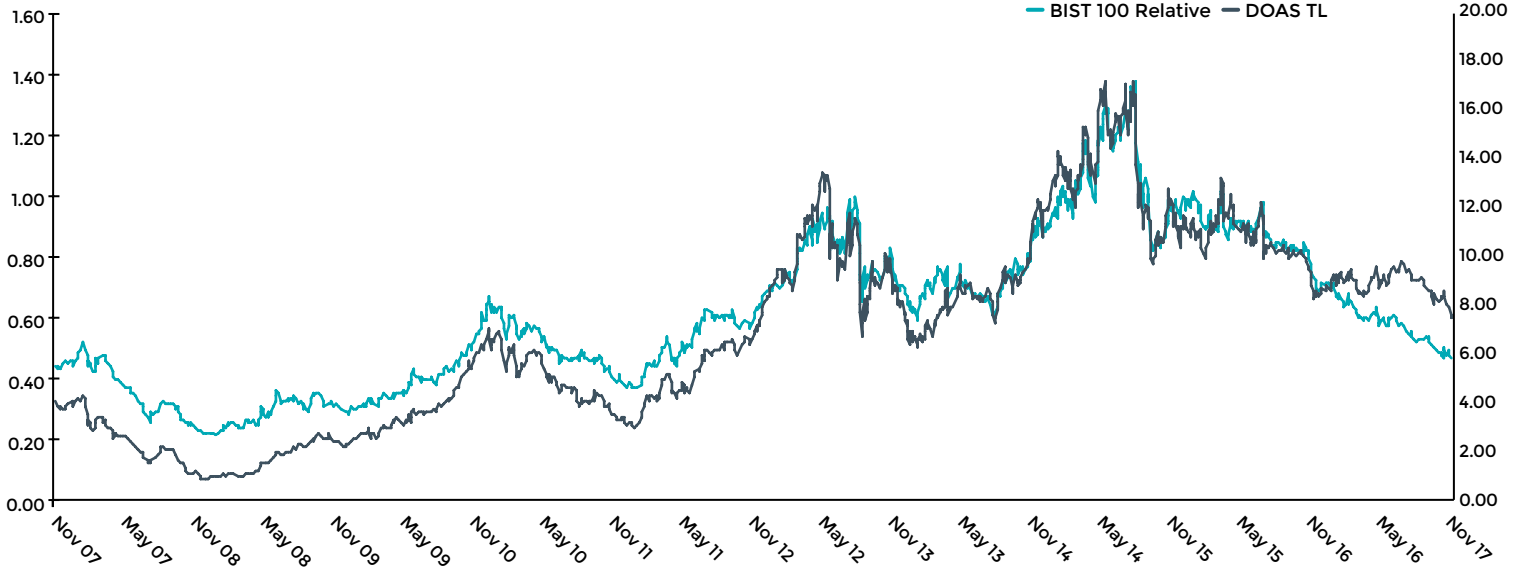
decreased by 7% due to the decline in the long term loans.

Other	30 Sep 17	31 Dec 16
Investment property	19,499	19,809
Warranty claims and price difference receivables	93,042	163,514
Prepaid Expenses short-term	40,502	18,303
Advances Given	4,844	3,652
Receivables due to insurance claims	14,326	8,971
Deferred tax assets	20,585	7,485
Advances given for property and equipment purchases	7,464	14,684
Prepaid Expenses long-term	2,713	5,437
Other	11,741	77,804

Consolidated Balance Sheet

(Balance Sheet mn,TL)	30 Sep 17	31 Dec 16	Change (%)
Total Assets	5,040	4,852	4%
Total Equity	1,253	1,119	12%
Net working capital	-641	-632	1%
Net cash position	-2,536	-2,707	6%
CAPEX	272	208	30%
Receivable Turnover (day)	34	37	-8%
Inventory Turnover (day)	66	56	18%
Payable Turnover (day)	37	26	42%
Net Debt/EBITDA	6,5	5.4	19%
ROA	2.8%	4.9%	-43%
ROE	11.4%	21.3%	-46%

Stock Price History



Shareholders Structure

	% Share	Amount (TL)
DOĞUŞ HOLDİNG A.Ş.	35.21%	77,461,622
DOĞUŞ ARAŞTIRMA GEL. VE MÜŞ. HİZM. A.Ş.	30.29%	66,638,086
DOĞUŞ SİGORTA ARACILIK HİZMETLERİ A.Ş.	0.00%	292
PUBLICLY TRADED	34.50%	75,900,000
TOTAL	100.00%	220,000,000

Disclaimer

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